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Canada Border Services Agency

Part III – Departmental Performance Report

2009–10
Estimates

The Honourable Vic Toews, P.C., Q.C., M.P.
Minister of Public Safety

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MESSAGE FROM THE MINISTER

The Honourable Vic Toews, P.C., Q.C., M.P.
Minister of Public Safety

As Minister of Public Safety, I am pleased to present to Parliament the Canada Border Services Agency's (CBSA) *2009–10 Departmental Performance Report*.

Over the past fiscal year, the CBSA continued to provide steady and secure service to Canadians. It did so even as it negotiated a number of unique challenges. Among these were the 2010 Olympic and Paralympic Winter Games, which were a formidable test of the Agency's organizational readiness. The Agency also took a lead role in response to the catastrophic earthquake in Haiti, where CBSA employees worked in-country and at home to help stabilize the aftermath and expedite the entry into Canada of evacuees and adopted children.

Throughout this busy year, the Agency remained fully committed to its core responsibilities and fully engaged with its partners. The cooperation between Canada and the United States on border management — manifest in the collaboration of the CBSA with the U.S. Customs and Border Protection — continues to be a model of successful bilateral partnership. The CBSA has also maintained strong international engagement, including ties to the European Union, Mexico and other collective arrangements.

The CBSA also remained committed to the development of innovative technologies in pursuit of a more secure border environment. This commitment includes a deeper incorporation of advanced information systems and detection technologies, as well as ongoing support for innovative trade and traveller programs, such as eManifest, Partners in Protection and NEXUS.

This is my first report on the performance of the CBSA since becoming Minister of Public Safety, and I am pleased to confirm that the Agency is equal to the calling of its important mandate. Canadian communities are safe and Canadian business grows, due in large part to the integrity and discipline of the CBSA and its dedicated employees.

The Honourable Vic Toews, P.C., Q.C., M.P.
Minister of Public Safety

SECTION I: DEPARTMENTAL OVERVIEW

RAISON D'ÊTRE AND RESPONSIBILITIES

The Canada Border Services Agency (CBSA) provides integrated border services that support national security priorities and facilitate the free flow of people and goods, including food, plants and animals, across the border. Specific responsibilities include the following:

- administering legislation (over 90 acts) that governs the admissibility of people, goods and plants and animals into and out of Canada;
- detaining those people who may pose a threat to Canada;
- identifying and removing people who are inadmissible to Canada, including those involved in terrorism, organized crime, war crimes or crimes against humanity;
- interdicting illegal goods entering or leaving the country;
- protecting food safety, plant and animal health, and Canada's resource base;
- promoting Canadian business and economic benefits by administering trade legislation and trade agreements to meet Canada's international obligations, including the enforcement of trade remedies that help protect Canadian industry from the injurious effects of dumped and subsidized imported goods;
- administering a fair and impartial redress mechanism; and
- collecting applicable duties and taxes on imported goods.

Created in 2003, the CBSA is an integral part of the Public Safety Portfolio that is responsible for integrated national security, emergency management, law enforcement, corrections, crime prevention and border management operations.

Examples of Acts Administered by the CBSA

- *Agriculture and Agri-Food Administrative Monetary Penalties Act*
- *Canada Border Services Agency Act*
- *Citizenship Act*
- *Criminal Code*
- *Customs Act*
- *Customs Tariff*
- *Excise Act*
- *Excise Tax Act*
- *Export and Import Permits Act*
- *Food and Drugs Act*
- *Health of Animals Act*
- *Immigration and Refugee Protection Act*
- *Plant Protection Act*
- *Special Import Measures Act*

CBSA Service Locations

The CBSA provides services at approximately 1,200 service points across Canada and some international locations, including the following:

- 120 land border crossings
- 27 rail sites
- 13 international airports
- 444 small vessel marina reporting sites
- 12 ferry terminals
- 3 postal processing plants
- 4 detention facilities
- 46 international locations staffed with migration integrity officers
- 4 major marine port facilities

STRATEGIC OUTCOMES AND PROGRAM ACTIVITY ARCHITECTURE

The CBSA's two strategic outcomes and Program Activity Architecture for 2009–10 are shown below.

2009–10 Program Activity Architecture

Strategic Outcome	Canada's population is safe and secure from border-related risks.		Legitimate travellers and goods move freely and lawfully across the border.			
Strategic Outcome Description	In providing integrated border services, the CBSA prevents the movement of unlawful people and goods across the border.		In providing integrated border services, the CBSA facilitates the flow of legitimate people and goods in compliance with border legislation and regulations.			
Program Activity	**Risk Assessment**	**Enforcement**	**Facilitated Border**	**Conventional Border**	**Trade**	**Recourse**
Program Sub-activity	Screening Abroad	Port of Entry Enforcement			Anti-dumping and Countervailing	Trade Disputes
	Targeting	Inland Enforcement			Tariff, Origin and Valuation	Adjudications
		Investigations				

SUMMARY OF PERFORMANCE

Total Financial and Human Resources

The following tables provide summary data on the total financial and human resources of the CBSA for 2009–10.

($ thousands)

Financial Resources for 2009–10		
Planned Spending[1]	**Total Authorities**[2]	**Actual Spending**
1,500,160	1,837,705	1,641,044

[1]Planned Spending comprises Main Estimates and additional funding earmarked for the CBSA in Budget 2009.

[2]Total Authorities comprises Main Estimates, Supplementary Estimates, carry forwards and transfers from Treasury Board centrally financed votes.

(Full-time equivalents)

Human Resources for 2009–10		
Planned	**Actual**	**Difference**
13,810	14,739	(929)

There was a difference of $196.7 million between total authorities and actual spending.

The $112.7 million lapse in operating expenditures was related mainly to project delays associated with eManifest, the arming of CBSA officers, the upgrade of the corporate management information system, and adjustments to the annual fee that the CBSA pays to Canada Post to deliver and collect the required duties and taxes assessed on international mail.

The $84.0 million lapse in capital expenditures was related mainly to delays in infrastructure projects at the CBSA Learning Centre in Rigaud, Quebec, housing at ports of entry, facility upgrades at smaller ports of entry to end work-alone situations and the procurement of specialty equipment.

Strategic Outcome 1: Canada's population is safe and secure from border-related risks.

Performance Indicators:	2009–10 Performance	2008–09 Performance
• Percentage of people examinations that resulted in an enforcement action.[1]	1.9%	2.2%
• Percentage of shipment examinations that resulted in an enforcement action.	11.8%	12.2%

2009–10 Performance:
The CBSA continued to identify and intercept people and goods that are inadmissible to Canada. Compared to 2008–09, the percentage of resultant examinations for people and shipments decreased: approximately 15.0 percent fewer people examinations and approximately 4.0 percent fewer shipment examinations resulted in enforcement actions.

Program Activity	Actual Spending 2008–09[2]	Main Estimates 2009–10	Planned Spending 2009–10	Total Authorities 2009–10	Actual Spending 2009–10	Alignment to Government of Canada Outcomes
	($ thousands)					
Risk Assessment	132,460	163,649	163,916	245,828	131,930	A strong and mutually beneficial North American partnership
Enforcement	215,972	328,998	328,998	398,664	215,108	Safe and secure communities
Total – Strategic Outcome 1	**348,432**	**492,647**	**492,914**	**644,492**	**347,038**	

[1]An enforcement action is the act of compelling adherence to the law via the levying of sanctions (criminal and administrative), seizure of property and detention of culpable persons.

[2]Actual expenditures for 2008–09 were restated to be comparable to 2009–10 actual expenditures to reflect the changes made to the CBSA's Program Activity Architecture.

Strategic Outcome 2: Legitimate travellers and goods move freely and lawfully across our borders.

Performance Information:	2009–10 Performance	2008–09 Performance
• **Total number of people processed**	**85,890,895**	**91,018,820**
Air	22,629,552	23,429,399
Highway	60,078,754	64,381,388
Marine	2,930,290	2,952,421
Rail	252,299	255,612
• **Total number of shipments released**	**11,859,347**	**12,570,794**
Air	2,812,311	3,015,197
Highway	8,294,431	8,728,789
Marine	428,124	463,242
Rail	324,481	363,566

2009–10 Performance:
The CBSA continued to operate the border smoothly for people and shipments seeking entry into Canada. Compared to 2008–09, the total number of people processed and shipments released decreased slightly as 5.6 percent fewer people were processed and 5.7 percent fewer shipments were released. These decreases are largely attributable to the global economic downturn.

Program Activity	Actual Spending 2008–09*	Main Estimates 2009–10	Planned Spending 2009–10	Total Authorities 2009–10	Actual Spending 2009–10	Alignment to Government of Canada Outcomes
	($ thousands)					
Facilitated Border	33,674	36,935	41,053	44,333	33,539	Strong economic growth
Conventional Border	549,739	534,217	538,674	601,949	547,540	Strong economic growth
Trade	70,535	44,507	44,507	51,642	70,253	A fair and secure marketplace
Recourse	8,133	9,356	9,356	10,022	8,100	A fair and secure marketplace
Total – Strategic Outcome 2	**662,081**	**625,015**	**633,590**	**707,946**	**659,432**	

* Actual expenditures for 2008–09 were restated to be comparable to 2009–10 actual expenditures to reflect the changes made to the CBSA's Program Activity Architecture.

Commencing in the 2009–10 Main Estimates cycle, resources for the Internal Services program activity are presented separately (see the table that follows). These resources are no longer distributed among the other program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and full-time equivalent information by program activity between fiscal years.

Internal Services

	Actual Spending 2008–09*	Main Estimates 2009–10	Planned Spending 2009–10	Total Authorities 2009–10	Actual Spending 2009–10
	($ thousands)				
Internal Services	637,123	365,367	373,656	485,267	634,574
Total – Internal Services	**637,123**	**365,367**	**373,656**	**485,267**	**634,574**

*Actual expenditures for 2008–09 were restated to be comparable to 2009–10 actual expenditures to reflect the changes made to the CBSA's Program Activity Architecture.

The CBSA's Internal Services include various activities that support its program activities. A significant number of those activities represent expenditures undertaken to manage information technology services, most of which are covered by the Memorandum of Understanding with the Canada Revenue Agency for the provision of information technology services. Considerable resources were expended on activities that directly supported regional operations that were undertaken outside the National Capital Region (e.g. management oversight). Internal Services resources were also used to undertake capital projects (e.g. upgrading and expanding facilities) and to support the CBSA in the areas of communications, legal services, as well as financial, human resource and asset management. Part of the planned spending associated with Internal Services was included in the planned spending for the Agency's program activities.

CONTRIBUTION OF PRIORITIES TO STRATEGIC OUTCOMES

Operational Priorities	Type	Status	Link to Strategic Outcome
Enhance capacity to identify, assess and mitigate the risks posed by people and goods. **Importance of this priority:** To help ensure Canada's population is safe and secure from border-related risks by preventing the movement of unlawful people and goods across Canada's border.	Previously committed to	Mostly met Major achievements included enhancements to targeting, the detentions and removals database, intelligence gathering and information sharing with domestic and international partners.	Strategic Outcome 1 The CBSA continues to enhance its capacity to identify and intercept people and goods of high or unknown risk before and at the border, which contributes to keeping Canada's population safe and secure from border-related risks. This will remain a priority in 2010–11.
Improve service levels for legitimate people and goods. **Importance of this priority:** To support Canada's economic growth by facilitating the flow of legitimate people and goods that are in compliance with border legislation and regulations.	Previously committed to	Mostly met Major achievements included the development of a Border Management Action Plan, trusted (registered) traveller strategy, advancement of the Single Window Initiative, and expanded integrity awareness and security training.	Strategic Outcome 2 The CBSA continues to streamline border clearance processes through its trusted traveller and trader programs, which contributes to enabling legitimate travellers and goods to move freely and lawfully across the border. This will remain a priority in 2010–11.
Management Priorities	**Type**	**Status**	**Link to Strategic Outcome**
Improve management tools, corporate procedures and organization to advance border management mandate. **Importance of this priority:** To ensure the CBSA has in place a modern organization and knowledgeable employees who can support the achievement of the CBSA's strategic outcomes.	Ongoing	Met all A key achievement was the Agency's success in implementing the first phase of its Change Agenda, including a new brand and the reorganization of CBSA headquarters, surpassing the objectives identified at the outset of the year.	Strategic Outcomes 1 and 2 The CBSA continues to improve the way it allocates resources, and strengthens its performance measurement and human resources functions, which contributes to a more effectively managed and integrated organization. This will remain a priority in 2010–11.

Operating Environment

As one of the world's most integrated border services organizations, the CBSA delivers a wide range of programs vital to Canada's security and prosperity. These include: customs; national security; the application and enforcement of immigration and refugee policy; food, plant and animal inspection at the border; as well as the collection of import duties, taxes and other border levies.

Throughout 2009–10, the Agency conducted its regular business within a challenging border risk environment and amidst an emerging economic recovery that depends on timely cross-border commerce and travel. Over the past fiscal year, the CBSA processed 85.9 million people and released 11.9 million shipments.

As a key federal government organization that contributes significantly to the Government of Canada's priority of promoting the nation's economic prosperity, the CBSA provides a major component of revenues for the Government. In 2009–10, the Agency collected over $21.0 billion in taxes and duties, down from the $22.6 billion collected in 2008–09.

The CBSA contributed to the success of several extraordinary initiatives, including the 2010 Olympic and Paralympic Winter Games. The CBSA facilitated the entry of more than 30,000 accredited athletes and officials and 200,000 international visitors, their goods and equipment, while supporting Canada's security and public safety objectives. In response, the Agency received positive feedback from visitors and its partners alike on how well-organized and seamless border operations were.

The Agency was successful in putting in place operational and policy solutions for unforeseen and complex situations, including the opening of a temporary port of entry at Cornwall, Ontario, and the arrival of Sri Lankan irregular migrants off the coast of British Columbia. The CBSA also worked in earthquake-stricken Haiti and at Canadian airports to expedite the processing of evacuees and adopted children. In addition, the CBSA successfully led the Government of Canada's preparations for the June 1, 2009 implementation of the U.S. Western Hemisphere Travel Initiative. The practical and flexible implementation of the Initiative was secured through the CBSA's strong leadership and engagement with the U.S. and other stakeholders, and prevented anticipated border delays and negative impacts on travel and trade in both countries.

Within this context, and by prudently managing its resources and seeking opportunities to improve operational and cost efficiencies, the CBSA continued to effectively manage the border without significant incidents, exceeding the expectations of the Agency and those of its clients and stakeholders.

Risk Management

The CBSA manages many operational risks, including the possible entry into Canada of illicit drugs; terrorists; goods that could cause chemical, biological, radiological, nuclear or explosive events; irregular migrants; counterfeit goods; firearms; and contaminated food, plants or animals. CBSA officers also examine exports from Canada to effectively control access to strategic advanced technology that could be used in the development of weapons.

Given the volume, diversity and geographic dispersal of the Agency's border activities and the breadth of risks to which the Agency must respond, the CBSA began developing a Border Risk Management Plan to optimize the Agency's capacity to identify, interdict and mitigate threats to border security. The Plan will translate threats into program delivery priorities and operational plans; identify program and operational gaps in high-risk areas; support risk-based and prudent resource allocation; and identify reporting mechanisms for performance to ensure results are incorporated into future threat and risk assessments. To be implemented starting in 2010–11, the Plan also responds to recommendations made in the *2007 October Report of the Auditor General of Canada*, Chapter 5, "Keeping the Border Open and Secure".

The passage of the amendments to the *Customs Act* in 2009–10 is strengthening the CBSA's ability to interdict contraband and other illegal items in susceptible areas such as airport tarmacs and seaport docks. It will also permit the implementation of eManifest, a major Crown project and the Agency's centerpiece system for merging facilitation and security goals for commercial processing. This will enable the CBSA to more effectively identify and assess risks and allocate resources for the interdiction and mitigation of those risks.

The Agency pursued other opportunities to push out the perimeter by improving access to advance information and securing more opportunities to conduct initial screening before people and goods reach the border. In 2009–10, the Agency continued to enhance its trusted traveller programs by developing a trusted traveller strategy and streamlining the processing of low-risk travellers arriving at Canada's ports of entry.

Domestic and international partnerships are pivotal in security cooperation to support the CBSA's program activities. In Canada, the CBSA continued to collaborate with the Royal Canadian Mounted Police (RCMP), the agency responsible for border-related enforcement activities between the ports of entry, and the Canadian Security Intelligence Service. The CBSA collaborated with the RCMP to develop a pilot project, announced in April 2010 that will enhance border security between the ports of entry east and west of Lacolle, Quebec.

Internationally, the CBSA worked closely with the U.S., its most important partner in border integrity, by strengthening strategic cooperation, establishing common program priorities and enhancing the timeliness, quality and level of bilateral, operational information sharing. The

CBSA is participating in the U.S. Immigration and Customs Enforcement's Border Enforcement Security Task Force along the British Columbia/Washington (Blaine), Ontario/Michigan (Detroit) and Ontario/New York (Buffalo) border. This multi-agency task force takes a comprehensive approach to identifying, disrupting and dismantling criminal organizations that pose significant threats to border security.

In addition, the CBSA sought opportunities to cooperate with other international partners. The Agency signed mutual recognition arrangements with customs organizations in Japan, Singapore and South Korea in June 2010 at World Customs Organization meetings in Belgium. These arrangements signify enhanced cross-border security as each country now applies similar security standards and performs similar site validations when approving membership in their respective cargo security programs. It also means greater trade facilitation for members as the programs will mutually recognize each other's members as being low risk.

Border Management

Given the scope of the Agency's border activities, the CBSA developed in 2009–10 the Border Management Action Plan to facilitate business planning and support the prioritization of CBSA programs and policies. The Plan also advances the Agency's movement away from a transactional approach at the physical border to one focused on pre-screening and pre-approval activities undertaken before people and goods reach the border, and on post-verification activities once people and goods have entered Canada.

The Agency renewed its focus on service by initiating the development of a Service Strategy that aims to strengthen the Agency's culture of service and simplify how the CBSA interacts with its clients. The CBSA has made progress on validating reasonable and transparent service standards across the CBSA's business lines. The Service Strategy will ultimately improve the Agency's accountability through the development, measurement and reporting against service standards and continued service improvement.

The CBSA serves many clients and stakeholders and seeks to maintain their trust by upholding the Agency's commitment to provide service excellence, while protecting the security and prosperity of Canada. In 2009–10, the CBSA continued to strengthen its engagement activities with stakeholders with a view to adopting a more collaborative, coordinated and strategic approach. This has helped the Agency to better assess and manage risk more effectively, share best practices, make more informed decisions, as well as project a consistent image of the Agency and a common set of messages. The CBSA's external stakeholders consist primarily of associations and individuals engaged in commercial trade, business, immigration, and travel and tourism.

The Agency also continued to implement its Integrity and Professional Standards Strategy that is helping to improve service at the front line by promoting and supporting the highest standards of integrity and professionalism in officer conduct and activities, both on- and off-duty.

In addition, the CBSA advanced its coordination of the Single Window Initiative, a joint initiative between the Agency and 10 other government departments and agencies. In 2009–10, the Agency developed the system to electronically transfer existing CBSA trade data to participating departments and agencies. When fully implemented, the initiative will streamline the collection of advance commercial trade data by creating a single electronic interface for businesses to submit information to meet import and export regulatory requirements. It will also benefit the trade community by increasing competitiveness, reducing delays, and improving the clearance and release times of goods.

Corporate Management

Since its creation in 2003, the CBSA has grown into a very substantial organization with an extensive range of programs and services to address a continually changing border environment. Given the Agency's experiences over the past six years and the increasing complexity of its environment, the CBSA has identified a need for greater clarity in direction, clearer accountabilities and streamlined management of its many programs and services in order to continue to meet its mandate.

In 2009–10, the CBSA launched a four-year Change Agenda, a plan that strengthens key management functions and enables the CBSA to address the increasing complexity of operations, the heightened risk context and financial pressures. As the Agency's roadmap for the future, the Change Agenda provides a new way of managing the CBSA to improve the delivery of programs and services in the field, and ensures that changes will be implemented in a disciplined and consistent manner (on time and on budget). It will also improve how the CBSA develops, supports, engages and retains its employees, and fosters an improved culture and identity with which both employees and stakeholders can identify. Because the Change Agenda is focused on programs, people and performance, its implementation will result in a stronger, more integrated and more effective organization.

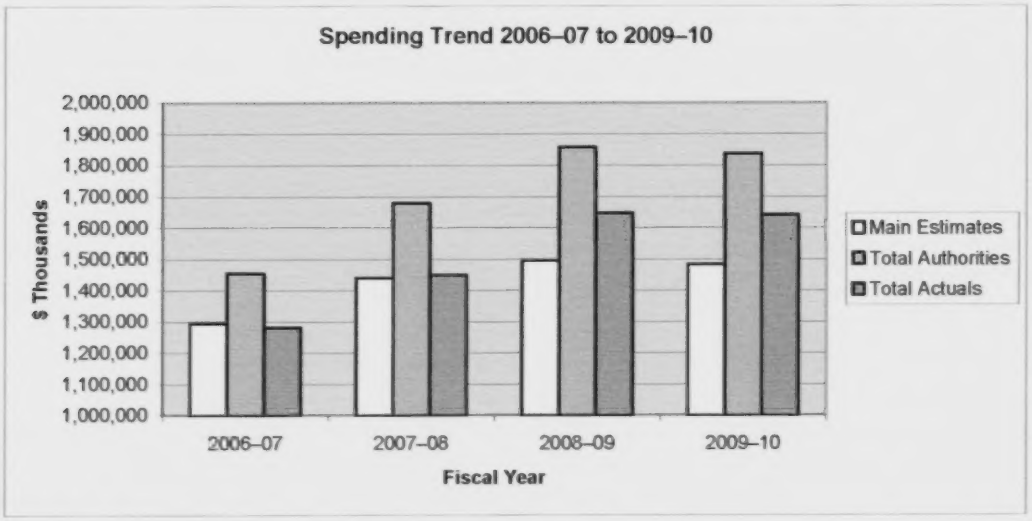
The CBSA implemented the first phase of its Change Agenda in 2009–10. The Agency's headquarters (encompassing approximately 4,000 people) was reorganized to improve accountability and the management of the CBSA's programs and services. A new governance structure was also implemented to streamline and fully align decision making to the Agency's plans, priorities and commitments. In addition, the CBSA made progress in the areas of culture and branding, internal communications and employee engagement, and talent management and learning.

As part of the Government of Canada's continued assessment of existing spending, the CBSA underwent a Strategic Review in 2009–10. As noted in Budget 2010, the Agency streamlined operations and business processes through automation and consolidated service delivery to optimize resources. Budget 2010 also reinvests $87 million over two years to fund the Agency's core pressures.

In addition, the CBSA developed a performance measurement framework for its new organization. A new method for allocating resources, based on the performance of all program activities, will be implemented beginning in 2010. It will incorporate planned results, performance measurement, risk analysis and resource models, and support the optimal allocation of resources.

EXPENDITURE PROFILE

The graph below shows the trends of the Main Estimates, total authorities and actual expenditures for the past four fiscal years. Significant additional investments were made in strategic initiatives over several years, culminating in 2008–09. The CBSA's funding remained steady in 2009–10 as these initiatives moved towards implementation and integration into regular operations.



CANADA'S ECONOMIC ACTION PLAN

Budget 2009 identified funding for the CBSA for accelerated infrastructure projects, including the expansion and modernization of four border facilities, the construction of additional housing in the remote ports of entry in Beaver Creek and Little Gold in the Yukon Territory and in Pleasant Camp, British Columbia, as well as funding for the CBSA's support role in Transport Canada's Air Cargo Security Program. The funding received for 2009–10 was $9.2 million and the actual expenditures were $3.8 million.

VOTED AND STATUTORY ITEMS

($ thousands)

Vote No. or Statutory Item (S)	Truncated Vote or Statutory Wording	Actual Spending 2007–08	Actual Spending 2008–09	Main Estimates 2009–10	Actual Spending 2009–10
10	Operating expenditures	1,263,345	1,433,100	1,279,813	1,426,054
15	Capital expenditures	34,903	53,000	56,202	32,657
(S)	Contributions to employee benefit plans	149,791	161,233	147,014	182,102
(S)	Spending of proceeds from the disposal of surplus Crown	141	246	-	172
(S)	Refunds of amounts credited to revenues in previous years	519	42	-	59
(S)	Collection agency fees	8	4	-	-
(S)	Court awards	-	11	-	-
Total		**1,448,707**	**1,647,636**	**1,483,029**	**1,641,044**

The decrease in capital expenditures from 2008–09 to 2009–10 relates to project time frames. Expenditures were higher in 2008–09 when the CBSA completed a number of major infrastructure projects (e.g. port-of-entry facilities in St. Stephen, New Brunswick and Douglas, British Columbia). Capital expenditures were lower in 2009–10 as the Agency focused on planning infrastructure improvements at Rigaud, Quebec and various ports of entry, which are part of the accelerated infrastructure funding included in Canada's Economic Action Plan.

SECTION II: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOMES

The CBSA has two strategic outcomes under its 2009–10 Program Activity Architecture. The first strategic outcome and two supporting program activities focus on the Agency's mandate and responsibility to support Canada's national security priorities. The second strategic outcome and four supporting program activities focus on the Agency's mandate and responsibility to facilitate the movement of legitimate people and goods, including food, plants and animals, across the border.

In 2009–10, the CBSA developed a new, more robust Program Activity Architecture and Performance Measurement Framework for 2011–12. They provide an accurate and exhaustive inventory of the Agency's programs, as well as a complete Performance Measurement Framework with new performance indicators and targets. In developing the 2011–12 Program Activity Architecture and Performance Measurement Framework, the Agency obtained approval from the Treasury Board of Canada Secretariat to delay major changes and improvements to its 2009–10 Program Activity Architecture and Performance Measurement Framework, with the result that performance targets are unavailable for 2009–10. In the absence of this information, the Agency is reporting on available performance indicators.

STRATEGIC OUTCOME 1 AND SUPPORTING PROGRAM ACTIVITIES

Strategic Outcome: Canada's population is safe and secure from border-related risks.

Description: In providing integrated border services, the CBSA prevents the movement of unlawful people and goods across the border.

Supporting Program Activities:
Risk Assessment
Enforcement

Performance Indicators	2009–10 Performance	2008–09 Performance
• Percentage of people examinations that resulted in an enforcement action.*	1.9%	2.2%
• Percentage of shipment examinations that resulted in an enforcement action.	11.8%	12.2%

*An enforcement action is the act of compelling adherence to the law via the levying of sanctions (criminal and administrative), seizure of property and detention of culpable persons.

PROGRAM ACTIVITY: RISK ASSESSMENT

The Risk Assessment program activity "pushes the border out" by seeking to identify high-risk people and goods as early as possible before their arrival at Canada's border. This program activity assesses information from a wide range of sources to support decisions on visa applicants at overseas missions, and to screen irregular migrants and cargo at ports of embarkation and, where possible, prevent their departure. The CBSA also uses advance passenger and cargo information from carriers, importers, exporters and other partners to identify high-risk people and goods before they arrive.

Program Activity: Risk Assessment					
2009–10 Financial Resources ($ thousands)			2009–10 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
163,916	245,828	131,930	1,332	1,234	98

Expected Result	Performance Indicators	2009–10 Performance	2008–09 Performance
High-risk people and shipments are not allowed to enter Canada.	▪ Percentage of screened people who may pose a threat who are intercepted before their arrival in Canada.	75%[1]	66%
	▪ Percentage of intelligence-led seizures.[2]	6.5%	8.4%

[1] The percentage increase is primarily due to changes in visa requirements in 2009.

[2] Seizures can be made as a result of an intelligence indicator or lookout, or as a result of random inspections or selective examinations.

Benefits for Canadians

The purpose of the Risk Assessment program activity is to prevent high-risk people and goods from entering Canada. Throughout the travel and supply chain continuum, the CBSA uses automated risk-analysis systems, as well as officers stationed in foreign countries, to assess the risks presented by people or goods destined for Canada. To make the most effective use of its limited resources, the CBSA assesses as much as possible the potential risk posed by travellers and goods before they arrive in Canada. This pre-arrival identification of high-risk people and goods benefits the travelling public and the international trade and travel industries by enabling the Agency to focus its examination and interdiction activities on high-risk people and goods, while enabling low-risk, legitimate travellers and commercial goods to enter Canada with minimal delay and intervention.

Performance Analysis

The CBSA achieved the following progress against the commitments made in its *2009–10 Report on Plans and Priorities*.

Optimize the CBSA's intelligence function

The CBSA's intelligence function collects, analyzes, distributes and shares data on threats to national security, including information on terrorism, weapons proliferation, war crimes, organized crime, smuggling, fraud and irregular migration. In 2009–10, the Agency undertook several initiatives to improve the quality and use of intelligence products. It began developing standardized reporting protocols to improve intelligence analyses and reviewed options to improve the CBSA's intelligence analyst capacity. In addition, the Agency is partnering with the Department of National Defence to jointly develop customized intelligence training at a considerable cost and time savings. Although the CBSA made a commitment in 2009–10 to establish a centralized distribution system to share intelligence products with internal and external partners in border management, the Agency was unable to fulfill this commitment due to competing priorities.

Enhance targeting

The CBSA uses targeting as a means to identify, and focus inspection activities on, high-risk persons, importers, exporters, carriers and conveyances. In 2009–10, the CBSA's efforts to enhance targeting centred on improving management practices and initiating a targeting project for containerized shipping.

As recommended in the Agency's Pre-Arrival Targeting Evaluation Study, the CBSA improved the management of targeting by consolidating and centralizing targeting activities for all people and goods entering Canada. This will ensure national consistency and improve effectiveness, as well as facilitate improvements in performance measurement and the training of intelligence analysts. To address a recommendation made in the *2007 October Report of the Auditor General of Canada*, Chapter 5, "Keeping the Border Open and Secure," the Agency also launched a comprehensive targeting training program in November 2009.

The CBSA also initiated the Bay Plan project that will enhance the Agency's ability to identify risk within the marine trade supply chain. Under this initiative, marine carriers will send an electronic message to the CBSA, in advance of a vessel's arrival, to identify the position and characteristics of all containers on the vessel. With this advance information, CBSA officers can target shipments and analyze discrepancies to more accurately assess the risk posed by each container. In 2009–10, the Agency developed the capacity to receive Bay Plan electronic messages from marine carriers. Voluntary transmission of information from marine carriers will begin in fall 2010. Advance electronic reporting will become mandatory after the passage of new regulations.

Improve information sharing with partners

The CBSA continually seeks ways to strengthen its capacity to obtain and share information with key domestic and international partners, which helps improve the effectiveness of risk assessments and prevent high-risk people and goods from entering Canada. In 2009–10, the Agency made the following progress:

- In accordance with the Memorandum of Understanding signed in 2009–10 with the United Kingdom, the United States and Australia, the CBSA now regularly shares information on individuals suspected of war crimes. The Memorandum of Understanding has also been expanded recently to include New Zealand.

- The Five Country Conference High Value Data Sharing Protocol was signed in June 2009 to pursue data exchange for immigration purposes. Canada has started to exchange data with the United Kingdom, Australia and the United States. New Zealand is expected to take part in the data exchange in 2010.

- To strengthen the security of the international trade supply chain, the CBSA moved forward with plans to sign several customs mutual recognition arrangements. Arrangements with Japan, Singapore and South Korea were signed in June 2010, to support the CBSA's Partners in Protection program. This international cooperation will allow border services officers to focus their efforts on unknown or high-risk areas, and demonstrates how Canada is increasing cargo security on an international scale while continuing to support economic prosperity.

Improve the CBSA's program delivery (risk assessment programs)

The Agency's comprehensive intelligence and targeting programs are delivered nationally and internationally, which poses administrative management challenges. In 2009–10, the CBSA conducted a review of these critical programs and put in place performance standards. Monthly performance reports in all regions and in headquarters have been implemented, ensuring that standards are being applied consistently, domestically and internationally, to improve the effectiveness of these programs.

Other initiatives undertaken in 2009–10 to improve the Agency's capacity to identify high-risk people and goods before their arrival at Canada's border include the following:

- **Passenger Name Record Push**: This initiative supports the Agency's capacity to perform risk assessments of travellers before their arrival in Canada and facilitate access to commercial air passenger information. As part of an agreement with the European Union, this initiative will improve the data acquisition system and enable commercial carriers flying from the European Union to Canada to "push" information to the CBSA as opposed to the Agency retrieving this information by accessing carrier reservation systems. In 2009–10, the Agency initiated the transition to the Passenger Name Record Push method of transmission with the development

of a data structure to receive the pushed information. In the next phase, the CBSA will connect the data structure to existing tools and make modifications to improve the traveller risk assessment process.

- **eManifest**: eManifest is the third phase of the Advance Commercial Information initiative that will modernize how the CBSA processes and screens commercial goods imported into Canada by enabling the Agency to perform pre-arrival risk assessments on commercial goods, ensuring that high-risk shipments are examined and low-risk shipments have facilitated entry into the country. Phases 1 and 2 require air and marine carriers to submit pre-arrival cargo and conveyance information electronically, within advance time frames. eManifest will allow the application of these requirements to the highway and rail modes. In 2009–10, the Agency successfully tested system enhancements for eManifest that will link the Agency's and the U.S. Customs and Border Protection's existing commercial systems. In addition, the Agency conducted significant outreach with commercial carriers in preparation for the commencement of electronic reporting in the highway mode in fall 2010.

- **Customs mutual assistance agreements**: The Agency made progress in implementing customs mutual assistance agreements with Israel, Russia and Chile. These agreements emphasize the importance of working with international partners to exchange certain customs information and intelligence to prevent, investigate and combat customs offences and enable cooperation on critical global issues such as security. The final agreement with Israel is expected to be completed for fall 2010. Work continues on drafting agreements with Russia and Chile.

- **Customs capacity in Afghanistan**: The Agency is helping to enhance the customs capacity of Afghanistan. The Afghan National Customs Academy opened in January 2010, with the CBSA implementing the customs training program, including curriculum developed by the Agency. Forty-eight customs officers have graduated from the Academy's training program, with a second group of officers expected to complete their training in late May 2010. The CBSA is on track to train 150 to 200 Afghan customs officials and three to four Afghan customs trainers by 2011.

- **Container Security Initiative**: This initiative focuses on the targeting and verification of high-risk container shipments while facilitating low-risk cargo containers to move quickly and more efficiently through the supply chain at seaports worldwide. CBSA officers at posts abroad work with local authorities to conduct risk assessments of vessels bound for Canada. Although the CBSA made a commitment to sign two more international partnership agreements to increase the deployment of CBSA officers abroad, this initiative will be discontinued in 2011–12, and the resources currently posted overseas will be reallocated as recommended in the Agency's Strategic Review. However, the Agency will leverage the strong international partnerships established under the Container Security Initiative to request examinations for high-risk cargo in advance of vessel departures.

PROGRAM ACTIVITY: ENFORCEMENT

The Enforcement program activity helps to ensure the safety and security of Canada's population by taking appropriate enforcement action against people and goods that are not compliant with border-related legislation and regulations. In addition, the CBSA investigates criminal offences under Canada's border-related legislation.

Program Activity: Enforcement					
2009–10 Financial Resources ($ thousands)			2009–10 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
328,998	398,664	215,108	2,018	1,882	136

Expected Result	Performance Indicator	2009–10 Performance	2008–09 Performance
Non-compliant people and goods are not allowed to enter or stay in Canada.	▪ Percentage of criminals removed from Canada versus total removals.	12.6%	13.8%
	Enforcement Activities		
	▪ Inadmissible people removed from Canada	14,775	13,200
	▪ Drug seizures	11,580	11,571
	▪ Value of currency seized ($ thousands)	45,100	40,700
	▪ Firearms seized	460	509
	▪ Prohibited weapons seized	8,791	3,708
	▪ Tobacco seizures	3,343	2,932
	▪ Soil, plants and plant products interceptions	10,712	19,971
	▪ Meat, meat products, animals, and animal products interceptions	17,671	31,059

Benefits for Canadians

The Enforcement program activity protects the national security and public safety of Canadians by safeguarding the importation of goods, including food, plants and animals; enhancing Canada's reputation as a safe trading nation through increased focus on export security; and controlling the entry of people, particularly those involved in terrorism, organized crime, war crimes or crimes against humanity. This is achieved by interdicting contraband, people and goods who may pose a criminal and/or security threat. The Enforcement program activity also protects the integrity of Canada's immigration program by screening, monitoring, investigating, arresting, detaining and removing those persons in violation of the *Immigration and Refugee Protection Act*.

Performance Analysis

The CBSA achieved the following progress against the commitments made in its *2009–10 Report on Plans and Priorities*.

Refocus the CBSA's detention and removal activities

A key responsibility of the CBSA is to detain and remove people who are inadmissible to Canada under the *Immigration and Refugee Protection Act*. In the *2008 May Report of the Auditor General of Canada*, Chapter 7, "Detention and Removal of Individuals", recommendations were made to the Agency that it should develop suitable policies and procedures for detentions and removals to ensure that risks, situations and individuals are treated in a consistent manner. Recommendations for improved data and level of analysis were suggested, which will in turn enable the Agency to better manage detentions and removals. In response, the CBSA took key actions in 2009–10, including:

- upgrading the Agency's detentions and removals database system;
- enhancing data reporting capabilities in the National Case Management System (removals database system);
- completing quality assurance reviews of the CBSA's four immigration holding centres; and
- negotiating bilateral procedural agreements with the provinces of Quebec and Ontario with respect to the facilities used by the Agency to detain people subject to an admissibility hearing.

The Agency will formalize arrangements with provinces in the Atlantic region, as well as with Saskatchewan and Manitoba, through letters of cooperation versus formal bilateral agreements due to the low number of detainees in these provincial detention facilities.

Other initiatives undertaken in 2009–10 to improve the Agency's enforcement activities include the following:

- **Doubling-up Initiative**: This initiative aims to ensure that CBSA officers across Canada do not work alone, even in remote areas. In 2009–10, the CBSA staffed 105 officers, exceeding the original goal of hiring 100 officers.

- **Arming Initiative**: This initiative aims to train and equip 4,800 CBSA officers with duty firearms over 10 years. In 2009–10, 477 CBSA officers attended the Duty Firearms course, just slightly less than the original goal of 500. As of March 31, 2010, the CBSA has armed and deployed 1,213 officers across Canada: 871 at land border ports of entry, 258 at inland offices and 84 at marine ports.

- **Track removal costs**: The Agency made a commitment in its *2009–10 Report on Plans and Priorities* to launch a pilot project to track the costs of individual removals. Although a draft proposal was prepared in 2009–10, the implementation was delayed due to competing priorities. It is anticipated that the pilot will start in 2010–11.

STRATEGIC OUTCOME 2 AND SUPPORTING PROGRAM ACTIVITIES

Strategic Outcome: Legitimate travellers and goods move freely and lawfully across the border.

Description: In providing integrated border services, the CBSA facilitates the flow of legitimate people and goods in compliance with border legislation and regulations.

Supporting Program Activities:
- **Facilitated Border**
- **Conventional Border**
- **Trade**
- **Recourse**

Performance Information	2009–10 Performance	2008–09 Performance	Percent Change*
Total number of people processed:	**85,890,895**	**91,018,820**	**-5.6%**
Air	22,629,552	23,429,399	-3.4%
Highway	60,078,754	64,381,388	-6.7%
Marine	2,930,290	2,952,421	-0.8%
Rail	252,299	255,612	-1.3%
Total number of shipments released:	**11,859,347**	**12,570,794**	**-5.7%**
Air	2,812,311	3,015,197	-6.7%
Highway	8,294,431	8,728,789	-5.0%
Marine	428,124	463,242	-7.6%
Rail	324,481	363,566	-10.8%

*The decreases are largely attributable to the global economic downturn.

PROGRAM ACTIVITY: FACILITATED BORDER

The Facilitated Border program activity encompasses the administration and oversight of the program requirements, policies, regulations and standards necessary to expedite border transits of pre-approved, low-risk people and goods. Providing alternative ways of crossing the border reduces border congestion and wait times while managing risk. This contributes to a strong Canadian economy through the business and tourism sectors.

Program Activity: Facilitated Border					
2009–10 Financial Resources ($ thousands)			2009–10 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
41,053	44,333	33,539	429	435	(6)

Expected Results	Performance Indicators	2009–10 Performance	2008–09 Performance
People known to be in compliance with applicable legislation enter Canada with minimal delay or no further processing.	▪ Percentage of NEXUS* members who are examined as compared to the overall examination rate.	2.4% as compared to 7.0% for non-members	N/A
	▪ Percentage of CANPASS (Air)* members who are examined as compared to the overall examination rate.	4.6% as compared to 7.0% for non-members	
Shipments known to be in compliance with applicable legislation enter Canada with minimal delay or no further processing.	▪ Percentage of Customs Self Assessment shipments that are examined as compared to the overall examination rate.	0.2% as compared to 1.7% for non-members	0.2% as compared to 1.4% for non-members

*CANPASS (Air) and NEXUS are self-service programs designed to facilitate and expedite processing for frequent, low-risk, pre-approved travellers.

Benefits for Canadians

The Facilitated Border program activity encompasses several trusted traveller programs, the largest of which is NEXUS with over 396,000 members, an increase of over 39 percent from 2008–09. These programs simplify border clearance for low-risk travellers through an advance risk assessment that is a pre-requisite for membership. Various simplified clearance processes are available, depending on the program and port of entry, including self-serve kiosks, designated lanes and reporting to border services officers by telephone. These programs save time for members and enable CBSA officers to focus on high-risk people.

The CBSA facilitates trade through its trusted trader programs that include Free and Secure Trade (59 approved importers, 648 approved carriers and over 76,000 approved drivers), Partners in Protection (1,043 members), and the Customs Self Assessment program (80 approved importers and 799 approved carriers). These programs require a secure supply chain and the advance risk assessment of importers, carriers and drivers. Members have access to streamlined border clearance processes, including designated lanes that reduce delivery times and costs, providing members with a competitive advantage.

Performance Analysis

The CBSA achieved the following progress against the commitments made in its *2009–10 Report on Plans and Priorities*.

Develop a strategy for registered traveller programs

In 2009–10, the CBSA developed a registered traveller strategy that included a review of key policy and program issues. The strategy focused on streamlining the various traveller programs while identifying compatibility issues between them, as well as examining the types of technology and innovation needed to expand international partnerships. As stated in Budget 2010 the Government of Canada has committed to enhance its trusted traveller and trusted trader programs to ensure that they are better coordinated and that their fees more closely reflect their cost. Maintaining the effectiveness and efficiency of these programs is important to facilitate the border processing of legitimate people.

Program Activity: Conventional Border

The Conventional Border program activity encompasses the administration and oversight of the policies, regulations, procedures, alliances and working partnerships necessary to maintain border control while enabling the free movement of legitimate people and goods into and out of Canada. This contributes to a stronger and more prosperous North America.

Program Activity: Conventional Border					
2009–10 Financial Resources ($ thousands)			2009–10 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
538,674	601,949	547,540	6,304	6,572	(268)

Expected Results	Performance Indicators	2009–10 Performance	2008–09 Performance
Legitimate people are allowed to enter Canada within established time standards.	• Percentage of time border wait time* standards for people are met.	90.0%	90.3%
Legitimate shipments are cleared to enter Canada within established time standards.	• Percentage of time border wait time standards for shipments are met.	96.3%	95.9%

*Border wait time performance is based on a 10-hour 'peak business hours' period, focusing on the day and early evening hours when volumes tend to be at their highest.

Benefits for Canadians

The CBSA contributes significantly to the Government of Canada's priorities of enhancing the well-being of Canadians and promoting economic prosperity. The CBSA works to facilitate the movement of legitimate trade and travellers by processing all the people, vehicles and commercial goods entering Canada, while carrying out its duties to ensure that Canadians are safe and secure from border-related risks. In addition, the CBSA provides a major component of revenues for the Government of Canada. In 2009–10, the Agency collected over $21 billion in taxes and duties, down from the $22.6 billion (11.8 percent of the Government of Canada's tax revenues) collected in 2008–09.

Performance Analysis

The CBSA achieved the following progress against the commitments made in its *2009–10 Report on Plans and Priorities*.

Develop a single window for the electronic collection of trade data

The Single Window Initiative will provide a single electronic interface for the collection and dissemination of commercial trade data, required by 10 government departments, in advance of goods arriving in Canada. This will benefit businesses by eliminating reporting duplication and facilitating the clearance and release of goods crossing the border. It will also increase the accuracy of information and improve the departments' ability to assess compliance. In 2009–10, the Agency developed the system to electronically transfer existing CBSA trade data to participating departments and agencies. The system is expected to begin collecting and transmitting data in the fall of 2010.

Improve employee awareness of integrity and professional standards

The Agency has implemented an integrity and professional standards strategy to foster an increased awareness of the CBSA's values and ethics and support the conduct of its business with integrity, respect and professionalism. In 2009–10, values, ethics and disclosure of wrongdoing awareness sessions were delivered to over 900 participants in the regions and at headquarters, providing CBSA employees with valuable information on public service and CBSA values, the CBSA Code of Conduct and the *Public Servants Disclosure Protection Act*. In addition, the Agency developed a mandatory online security awareness module and implemented more rigorous recruitment and personnel standards for external hiring.

Improve the CBSA's program delivery (conventional border activities)

In 2009–10, as part of the Agency's implementation of its Change Agenda and reorganization, the CBSA began work on a new management model to introduce a systematic approach to managing and strengthening the delivery of its programs. The new model identifies 10 national program activities that will enable the CBSA to set goals, allocate budgets and monitor the performance of the activities based on key performance indicators. It represents a significant change in the way the CBSA manages its operations and distributes funds by fostering a more dynamic working relationship between the program areas (responsible for setting priorities) and the regions (responsible for the delivery of program activities). It ensures more effective allocation of resources and consistency in service delivery across the country.

The CBSA has undertaken other initiatives to improve the Agency's capacity to allow the free movement of legitimate people and goods into and out of Canada, including the following:

- **Border Management Action Plan**: For 2009–10, the Agency committed to developing People and Commercial Visions. Both Visions have now been incorporated into a more comprehensive and integrated plan known as the Border Management Action Plan. The Plan

provides a comprehensive road map to advance both trade facilitation and security objectives over the next four years. It also integrates existing initiatives and prioritizes potential future investments. The Plan will establish key priorities related to trade, commercial activities and traveller initiatives. It will also help the CBSA move from a physical and transactional border management approach to one focused on pre-screening, pre-approval (includes membership programs such as NEXUS and Fast and Secure Trade) and post-verification (moves the examination of low-risk goods away from the physical border and into Canada to reduce congestion and wait times).

- **2010 Olympic and Paralympic Winter Games**: CBSA officers facilitated the entry of more than 30,000 accredited athletes and officials and 200,000 international visitors, their goods and equipment, while supporting key security and public safety objectives. Comprehensive operational and contingency plans were developed, finalized and implemented with the result that the Agency was operationally ready well in advance of the Winter Games. CBSA officers from other locations were redeployed to the affected ports of entry to ensure that the Agency's service standards were maintained. The Agency also partnered with intelligence and security organizations and networks, both nationally and internationally, to ensure that any changes to threat levels or identified areas of concern were addressed. In addition, the CBSA worked closely with Citizenship and Immigration Canada and Human Resources and Skills Development Canada to ensure work permits were issued seamlessly.

- **Automated Border Clearance pilot project**: This two-year pilot project, previously known as the Electronic Primary Inspection Line, was launched in December 2009 at the Vancouver International Airport. It enables Canadians and permanent residents to use an automated self-serve kiosk as an alternative to a primary inspection by a CBSA officer. In the first few months of the pilot, approximately 13 percent of eligible travellers were using the kiosks.

- **Western Hemisphere Travel Initiative**: The CBSA continued to support the implementation of the Western Hemisphere Travel Initiative, a United States law that requires all travellers, including Canadian and American citizens, to present a valid passport or another approved secure document when entering the United States, which took effect at land and marine ports of entry on June 1, 2009. As a result of the CBSA's work with four provinces and Indian and Northern Affairs Canada, Canadian citizens can use an enhanced driver's licence or a Secure Certificate of Indian Status in lieu of a passport to enter the United States. These documents provide Canadians with additional options for compliance with the Western Hemisphere Travel Initiative. The CBSA also developed and implemented an information system that enables secure validation by U.S. Customs and Border Protection of documents compliant with the Initiative and issued by participating provinces and Indian and Northern Affairs Canada.

- **Secondary processing highway initiative**: For 2009–10, the Agency committed to launching a five-year initiative to record all referrals to secondary examination at land border crossings, as well as the reasons for the referrals. The referral information would be made available to CBSA officers at secondary inspection lines to ensure compliance with border legislation and regulations, and would assist with performance monitoring and reporting. However, due to the reprioritization of resources, progress on this initiative has been delayed.

PROGRAM ACTIVITY: TRADE

The Trade program activity ensures that the Canadian economy and business community gain maximum benefits from the administration of international and regional trade agreements and domestic legislation governing trade in commercial goods. In this context, the CBSA is responsible for the development and administration of rules, policies, programs and activities that govern the trade-related aspects of the movement of goods into Canada.

Program Activity: Trade					
2009–10 Financial Resources ($ thousands)			2009–10 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
44,507	51,642	70,253	426	810	(384)

Expected Result	Performance Indicators	2009–10 Performance	2008–09 Performance
Canadian business benefits from a level playing field through the imposition of duties and taxes.	▪ Number of Canadian jobs protected as a result of applying the *Special Import Measures Act*.	32,952	31,472
	▪ Value of Canadian production protected as a result of applying the *Special Import Measures Act*. ($ thousands)	7,041,000	5,840,000

Benefits for Canadians

CBSA officials deliver client service programs to educate import and export traders and to assist them in making correct declarations. The CBSA conducts compliance verification audits supported by scientific analysis to measure compliance with trade rules and to correct errors in declarations. In 2009–10, the Agency verified 2,677 trade declarations with a total import value of $12.9 billion, which represents 3.2 percent of the value of all goods imported into Canada during this period. Compliance activities may result in the collection of duties and taxes in addition to those owing from the initial self-assessment by importers. These activities provide a level playing field for Canadian manufacturers and exporters in the global trade market by ensuring the accuracy of trade data; the proper assessment, collection, relief and deferral of duties and taxes; and the consistent interpretation and application of international agreements. They also enable the CBSA to detect dangerous and prohibited goods and prevent their entry into Canada.

Through its work on free trade negotiations, the CBSA helps to open new markets for Canadians by increasing the opportunities for, and the predictability of, export sales. This contributes to the creation of jobs and boosts Canadian profits, which in turn stimulates the economy. This activity also helps to increase imports, making more products available at more affordable prices.

Performance Analysis

The CBSA achieved the following progress against the commitments made in its *2009–10 Report on Plans and Priorities*.

- **Business simplification initiative**: The Agency continued to streamline commercial policies and processes to make it easier as well as less costly and time-consuming for commercial clients to meet their compliance obligations. In 2009–10, the Agency eliminated 326 business reporting obligations, exceeding the original target of 280.

- **Trade agreements**: In 2009–10, the Government of Canada implemented trade agreements with Peru and the European Free Trade Association, and legislation was tabled to implement free trade agreements with Colombia and the Hashemite Kingdom of Jordan. The CBSA continued to advance Canada's trade agenda by supporting Foreign Affairs and International Trade Canada and the Department of Finance in the negotiation of free trade agreements involving customs and border-related matters. The Agency also completed work on agreements with Panama and South Korea and is currently negotiating with the European Union, CARICOM (Caribbean Community), the Dominican Republic and Morocco, as well as continuing work on the World Trade Organization Trade Facilitation Agreement.

- **Electronic document management system**: The CBSA had planned to upgrade the database used to support the Agency's administration of the *Special Import Measures Act*. The database would store and manage trade data more effectively and securely while at the same time helping to enhance risk management. However, due to the reprioritization of resources, the upgraded system was not completed in 2009–10.

PROGRAM ACTIVITY: RECOURSE

The Recourse program activity provides the business community and individual travellers with an accessible redress process that ensures a fair and transparent review of trade program decisions and enforcement-related actions. This program activity also ensures that the decisions taken by CBSA officials accurately reflect the Agency's policies, guidelines and legislation, and contribute to the security and economic prosperity of Canada.

Program Activity: Recourse					
2009–10 Financial Resources ($ thousands)			2009–10 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
9,356	10,022	8,100	122	96	26

Expected Result	Performance Indicators	2009–10 Performance	2008–09 Performance
A review process is available and accessible for the CBSA's trade administration decisions and enforcement-related actions.	▪ Percentage of reviews acknowledged within 30 days of receipt. (Target: 85%)	85%	83%
	▪ Percentage of decisions rendered by recourse appealed to tribunals and courts* that were decided in the CBSA's favour (upheld, withdrawn or settled).	92%	84%

*External reviewers include the Canadian International Trade Tribunal, Canada Agricultural Review Tribunal, Federal Court of Canada, Canadian Human Rights Commission and the Canadian Human Rights Tribunal.

Benefits for Canadians

Canadians are entitled to a fair and impartial review of actions and decisions taken by the CBSA. The Agency is committed to ensuring that its redress process is accessible and transparent, and provides a level playing field for travellers and traders. The CBSA does not charge for a review, and the non-adversarial nature of the process enables many clients to represent themselves.

The CBSA's Adjudications program ensures that enforcement actions are sustainable in law, prohibited items remain forfeit and all penalties or fines are applied appropriately. The CBSA's Trade Disputes program ensures that duties and taxes are applied appropriately and relevant trade data is accurately collected.

INTERNAL SERVICES

Internal Services is a group of related activities and resources that is administered to support the needs of programs and other corporate obligations of an organization. The main activities are governance and management support (management and oversight, communications, legal services), resource management services (human resources management, financial management, information management, information technology, travel, and other administration services) and asset management services (real property, materiel, acquisitions). The CBSA's Internal Services supports the achievement of the Agency's two strategic outcomes.

Internal Services					
2009–10 Financial Resources ($ thousands)			2009–10 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
373,656	485,267	634,574	3,179	3,710	(531)

Performance Analysis

The CBSA achieved the following progress against the commitments made in its *2009–10 Report on Plans and Priorities*.

Develop a business model to support a modern, risk-based approach to border management

In 2009–10, the Agency developed a business model that describes all of its activities using a catalogue of services. Developed to support analysis and decision making, the model links target recipients to service outputs and the benefits generated by those services. It also maps services related to the CBSA's program activities, business process diagrams and the information technology systems that support service delivery.

Validate business continuity plans

The CBSA has in place business continuity plans that ensure organizational stability and continued service delivery during and after emergency situations. In 2009–10, the Agency identified and addressed gaps in these plans, in part through interdepartmental exercises and actual events. Plans will continue to be reviewed on a regular basis and updated to reflect program changes within the CBSA business environment.

Implement performance measurement

Performance measurement provides the Agency with consistent and comparable data to support risk-based decision making and resource allocations and assess the Agency's progress towards achieving its strategic outcomes. In 2009–10, the CBSA created a new Program Activity Architecture and Performance Measurement Framework for 2011–12, both of which now form the basis of the Agency's performance measurement regime.

Develop a national, cross-training implementation plan for border services officers

To address a recommendation made by the Auditor General in the *2007 October Report of the Auditor General of Canada*, Chapter 5, "Keeping the Border Open and Secure," the CBSA proposed an approach to the continued cross-training and building of program expertise for border services officers. This included the development and updating of learning products related specifically to customs, immigration, and food, plant and animal inspection. The Agency also developed generic learning paths that link training options to the skills and knowledge required for border services officers working in the four different modes (air, land, marine and postal). Training products addressing all required areas of knowledge are regularly updated to meet evolving needs.

The CBSA undertook other activities to improve its management tools, corporate procedures and organization, including the following:

- **Branding strategy**: In 2009–10, the Agency launched its branding strategy. Extensive consultations were undertaken with external stakeholders (e.g. members of the Canada Border Services Advisory Committee) and more than 600 CBSA regional and headquarters employees. The new CBSA brand, which reflects the Agency's mission and values, was launched in April 2010.

- **Public service renewal**: In 2009–10, the CBSA contributed to the Government of Canada's efforts to renew the public service by hiring 145 post-secondary graduates. In addition, the Agency was a lead partner in the Public Service Commission's pilot of a virtual career fair in *Second Life*, an interactive Internet-based simulated work environment. Expected to run for 12 weeks in 2010–11, the pilot will support the Agency's efforts to recruit new employees with a particular focus on attracting new targeting analysts. The CBSA completed the construction of a virtual pavilion in *Second Life* and a simulation of actual risk assessment work in early January 2010.

- **Web of rules**: The Agency continued to implement initiatives to streamline management activities. These included developing project management processes specifically for small projects, and streamlining classification and staffing, travel claims processing and the dissemination of policy guidance (D-memos).

- **Human resources service standards**: In 2009–10, the Agency established and implemented service standards for staffing, classification and compensation that were then posted on the CBSA's intranet. Service standards have been developed to reflect reasonable and achievable time frames within which clients may expect to complete processes under normal circumstances. In addition, initial performance data is being collected and used to help identify areas for improvement.

- **Port of Entry Recruit Training program**: To address a recommendation made in the *2007 October Report of the Auditor General of Canada*, Chapter 5, "Keeping the Border Open and Secure," the Agency has taken steps to evaluate its training programs to determine the CBSA's effectiveness in meeting its priorities. As part of these efforts, the Agency has developed an integrated evaluation strategy of its Port of Entry Recruit Training program. Under this strategy, the Agency in 2009–10 initiated the implementation of an automated testing strategy and began reviewing the on-the-job performance of new officers. Further analyses of the data collected will be conducted in 2010–11, and the results will be used to improve the training program. A significant redesign of the program is planned for 2012.

Canada's Economic Action Plan

Budget 2009 identified $80 million for the CBSA for accelerated infrastructure projects. The Agency completed preparations to improve its commercial examination capacity at four ports of entry: Prescott, Ontario; Kingsgate, Pacific Highway and Huntington ports of entry (all in British Columbia). The Agency also completed preparations to construct additional housing at three remote ports: Beaver Creek and Little Gold in the Yukon Territory; and Pleasant Camp, British Columbia. Construction was scheduled to begin at all sites in spring 2010. Funding was also made available for the CBSA's support role in Transport Canada's Air Cargo Security Program.

Most of the infrastructure projects were in the planning stage in 2009–10; construction is expected to take place over 2010–11 and 2011–12.

Canada's Economic Action Plan					
2009–10 Financial Resources ($ thousands)			2009–10 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
-	9,200	3,800	-	10	(10)

SECTION III: SUPPLEMENTARY INFORMATION

FINANCIAL HIGHLIGHTS

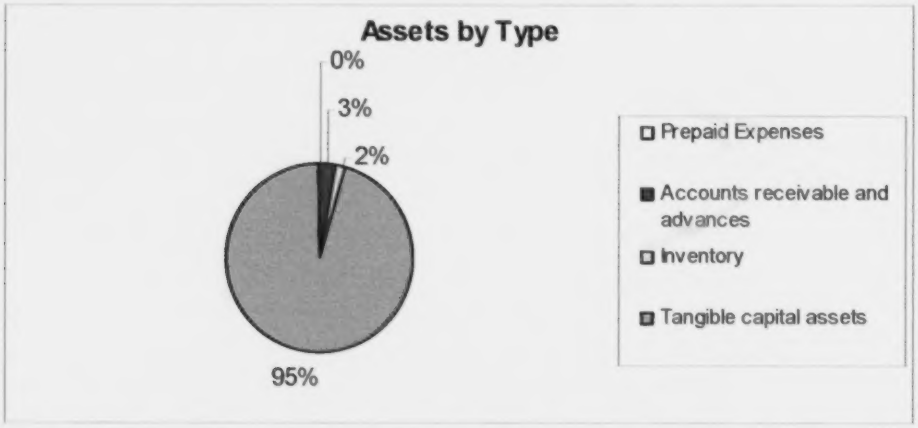
For financial reporting purposes, the activities of the Agency have been divided into two sets of financial statements: Agency Activities and Administered Activities. The financial statements for Agency Activities include those operational revenues and expenses that are managed by the Agency and utilized in running the organization. The financial statements for Administered Activities include those revenues and expenses that are administered for entities other than the Agency (e.g. the federal government, a province or territory, or another group or organization). The purpose of this distinction is to more accurately represent the actual cost of Agency operations from those revenues that are administered on behalf of the Government of Canada.

Comparative figures have been reclassified to conform to the current year's presentation. The 2008–09 amounts have been restated to exclude Agency Administered Activities. Furthermore, amounts payable to and receivable from Agency Administered Activities were eliminated upon consolidation in 2008–09. These have been subsequently included in the restated 2008–09 amounts for comparative purposes.

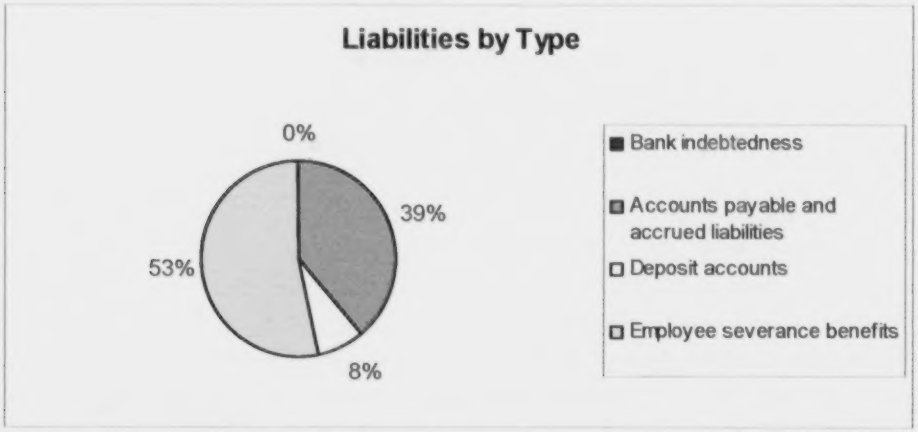
($ thousands)			
Condensed Statement of Financial Position As at March 31, 2010	**Percent Change %**	**2009–10**	**2008–09**
Financial assets	**13.9**	12,855	11,291
Non-financial assets	**7.3**	419,727	391,076
Total assets	**7.5**	432,582	402,367
Total liabilities	**-13.2**	416,201	479,688
Total equity	**-**	16,381	-77,321
Total liabilities and equity	**7.5**	432,582	402,367

($ thousands)			
Condensed Statement of Financial Operations For the year ending March 31, 2010	**Percent Change %**	**2009–10**	**2008–09**
Total expenses	**0.5**	1,808,618	1,799,053
Total revenues	**-8.2**	25,894	28,202
Net results	**0.7**	1,782,724	1,770,851

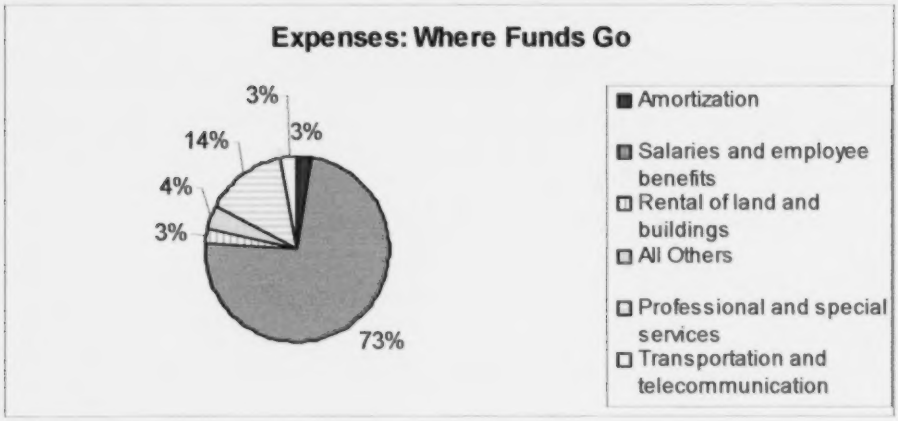
FINANCIAL HIGHLIGHTS CHARTS



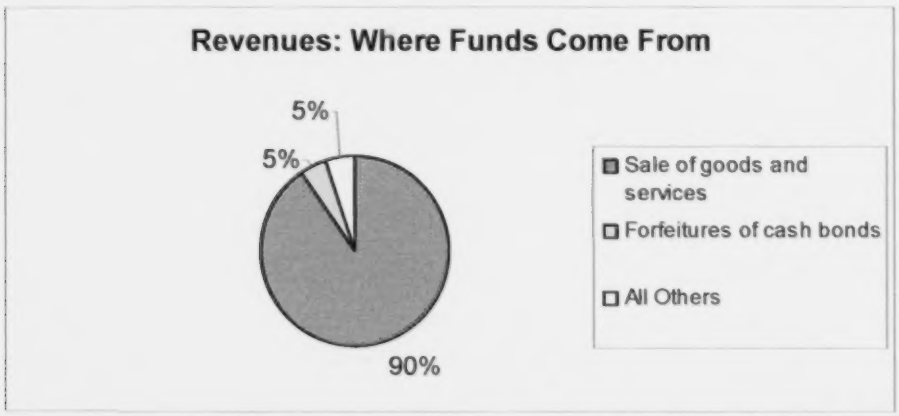
The CBSA's total assets were $433 million at the end of 2009–10, an increase of $31 million (7.5 percent) over the total assets of $402 million for 2008–09. Non-financial assets (prepaid expenses, inventory and tangible capital assets) represent the largest portion at $420 million (97 percent) of total assets.



The CBSA's total liabilities were $416 million at the end of 2009–10, a decrease of $64 million (13 percent) over the total liabilities of $480 million for 2008–09. Employee severance benefits represent the largest portion of liabilities at $223 million (54 percent) of total liabilities.



The CBSA's total expenses were $1.809 billion for 2009–10, an increase of $10 million (0.5 percent) over the total expenses of $1.799 billion for 2008–09. Most of the funds, $1.314 billion (73 percent), were spent on salaries and employee benefits.



The CBSA's total revenues were $26 million for 2009–10, a decrease of $2 million (8 percent) over the total revenues of $28 million for 2008–09. Most of the revenues, $23 million (90 percent), were generated from the sale of goods and services.

FINANCIAL STATEMENTS

The CBSA's financial statements are available on the Agency's website at **http://www.cbsa-asfc.gc.ca/agency-agence/reports-rapports/menu-eng.html.**

SUPPLEMENTARY INFORMATION TABLES

The following tables are available on the Treasury Board of Canada Secretariat's website at **http://www.tbs-sct.gc.ca/dpr-rmr/2009-2010/index-eng.asp**.

Sources of Respendable and Non-Respendable Revenue
User Fees Reporting
Status Report on Projects Operating with Specific Treasury Board Approval
Status Report on Major Crown/Transformational Projects
Horizontal Initiatives
Green Procurement
Response to Parliamentary Committees and External Audits
Internal Audits and Evaluations

INFORMATION AND CONTACTS

To contact the CBSA and for more information on its activities, please visit the Agency's website at **http://www.cbsa-asfc.gc.ca**. Links to other websites of interest are provided below.

Canada Revenue Agency website: **http://www.cra-arc.gc.ca/**

Canadian Food Inspection Agency website: **http://www.inspection.gc.ca/**

Canadian Security Intelligence Service website: **http://www.csis.gc.ca/**

Citizenship and Immigration Canada website: **http://www.cic.gc.ca/**

Department of Finance Canada website: **http://www.fin.gc.ca/**

Foreign Affairs and International Trade Canada website: **http://www.international.gc.ca/**

Health Canada website: **http://www.hc-sc.gc.ca/**

Public Safety Canada website: **http://www.publicsafety.gc.ca/**

Royal Canadian Mounted Police website: **http://www.rcmp-grc.gc.ca/**

Transport Canada website: **http://www.tc.gc.ca/**